



State of Utah

Department of
Natural ResourcesROBERT L. MORGAN
*Executive Director*Division of
Oil, Gas & MiningLOWELL P. BRAXTON
*Division Director*OLENE S. WALKER
*Governor*GAYLE F. McKEACHNIE
Lieutenant Governor

August 23, 2004

Jim Dykman, Cultural Resources Coordinator
DCED - State History Division
300 Rio Grande
Salt Lake City, Utah 84111Re: SHPO Clearance for Minor Coal Exploration – SITLA Muddy Tract, Canyon
Fuel Company, LLC., SUFCO, C/041/0002 – Task #1986, Outgoing File

Dear Mr. Dykman:

The Division of Oil, Gas and Mining is currently reviewing the Minor Coal Exploration – SITLA Muddy Tract project for the SUFCO Mine. The overall project includes six drill holes (A-F). Drill hole A is the only proposed hole within the SITLA Muddy Tract, the other five are in the BLM Muddy tract. The current review only considers drill hole A even though the Permittee conducted surveys for the overall project.

The Permittee plans to use helicopter-assisted wireline core-drill system to drill hole A in September of 2004. The disturbed acreage for drill hole A is approximately 8 X 12 feet (0.002 acres). The operator will reach the staging site using USFS roads 007 and 044, then transport equipment to the drill hole site using the helicopter.

The proposed area for drill hole A is in Township 20 South and Range 4 East in Section 32 in Sevier County, Utah. The 7.5 Minute Quadrangle USGS map that covers the permit area is Heliotrope. The Division has included a map showing the location of the proposed area.

The Division is requesting concurrence from SHPO for the Minor Coal Exploration – SITLA Muddy Tract project. The following provides pertinent information that may be useful during the consultation process.

Bill at S (July 13, 2004) A Cultural Resource Inventory of Six Drill Locations and Access.

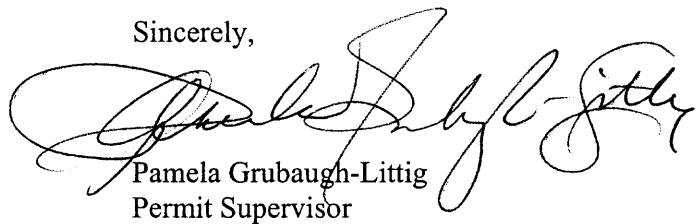
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- Utah State Project Authorization No. UO4EP0650f.
- Location: Township 20 South and Range 5 East with Sections 20, 28, 29, 31, 32, and 33.
- Findings/Recommendation: Observed and evaluated site 42SP535. The area near 42SP535 has been impacted by recreational activities. Cultural deposition is unlikely. 42SP535 does not meet criterion D, therefore, is ineligible for NRHP.

This resource site is along the access road near the Muddy Creek pumping station. Mr. Billat does not provide recommendations to protect this site. The Division supports a finding of "no effect" to cultural or historical properties. Furthermore, recommends a historical resource clearance for the drill hole A project without stipulations because there are no known significant historical resources near drill hole A, pumping stations, or the access road.

The Permittee plans to start drilling the first week of September 2004. We would appreciate your response as soon as possible so we may proceed with the review process. If you have any questions about this project, please call me at (801) 538-5268 or Jerriann Ernsten at (801) 538-5214.

Sincerely,

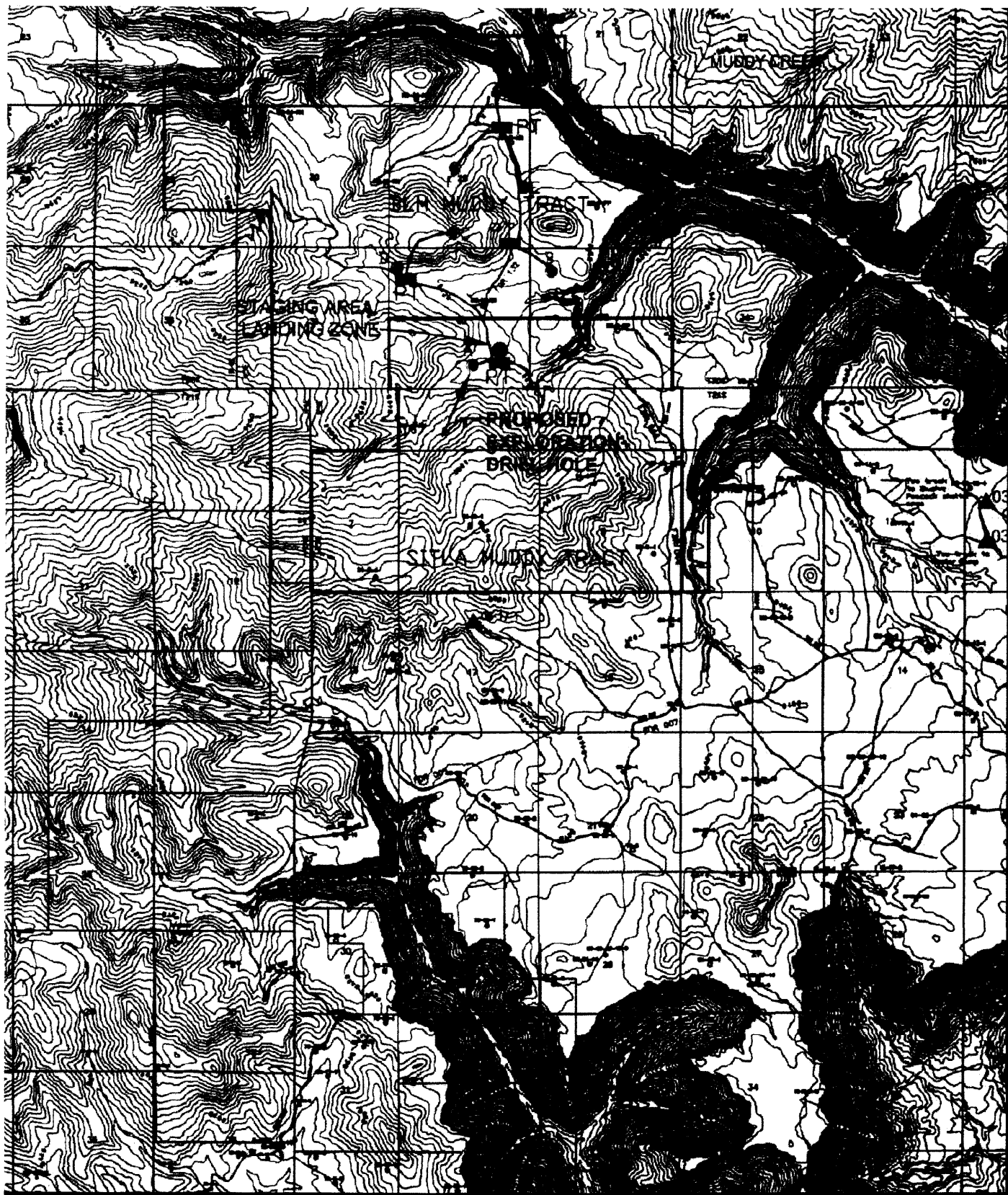


Pamela Grubaugh-Littig
Permit Supervisor

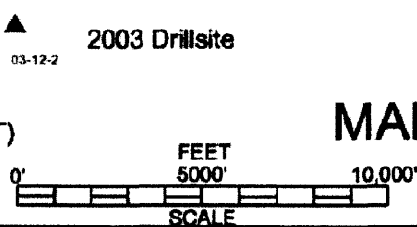
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cc: Price Field Office

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- Proposed 2004 Drillsite
- ▲ 2003 Drillsite
- HDPE Waterline
- PT Pump (P) and/or Storage Tank (T)
- Staging Area/Landing Zone



MAP 2

ARK LAND COMPANY

DRILLING PROJECT, 2004
MINOR COAL EXPLORATION
SITLA MUDDY TRACT

DRILL HOLE LOCATION
AND WATER SYSTEM LAYOUT
HELICOPTER-ASSISTED DRILLING

1"=5000'